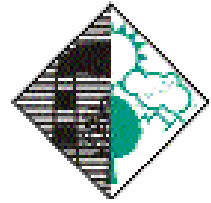




Fall 2003

# Environmental Export News

Published by the Office of Environmental Technologies Industries  
U.S. DEPARTMENT OF COMMERCE International Trade Administration



Issue No. 18

## Summit Highlights Energy and Environmental Opportunities in Russia

*By Rachel Halpern*  
*Energy Division, International Trade Administration*

In May 2002, Presidents Bush and Putin launched a new energy dialogue to enhance global energy supply and security, as well as promote U.S.-Russian cooperation in developing energy resources. A major initiative of the new energy dialogue was the first U.S.-Russia Commercial Energy Summit, held in Houston, Texas, in October 2002, which was co-chaired by U.S. Secretary of Commerce Donald Evans, U.S. Secretary of Energy Spencer Abraham, Russian Minister of Energy Igor Yusufov, and Russian Minister of Trade and Economic Development German Gref. More than 450 U.S. and Russian

senior corporate and government officials participated in the event.

On Sept. 22-23, 2003, the second U.S.-Russia Commercial Energy Summit took place in St. Petersburg, Russia, again co-chaired by Secretaries Evans and Abraham and Ministers Gref and Yusufov. More than 500 representatives from U.S. and Russian government agencies and energy industries took part in the summit to discuss expanding partnerships and new opportunities for investment between the energy industries of both

*(continued on page 3)*



*Secretary of Commerce Don Evans greets Russian President Vladimir Putin at the U.S.-Russia Commercial Energy Summit in St. Petersburg, Russia, in September 2003 (U.S. Department of Commerce photo).*

## Commerce Department Provides Training and Meetings at WEFTEC 2003

*By Ellen Zeytoun*  
*Office of Environmental Technologies Industries*

The Office of Environmental Technologies Industries (ETI) participated in the Water Environment Federation's 76th Annual Technical Exhibition and Conference, WEFTEC, in Los Angeles, Calif., Oct. 12-15, 2003. ETI supported a number of activities at the show, including a U.S. Department of Commerce booth, a "matchmaking" program to introduce U.S. exhibitors and attendees to foreign buyers at the show, and a training session run by the Commerce Department's Environmental Technologies Team. WEFTEC is the largest water and wastewater exhibition and conference in the United States, with approximately 800 exhibitors and 17,500 attendees.

More than 300 U.S. companies visited the Commerce Department booth on the exhibition floor, where information on export promotion programs and foreign market research was available. Trade specialists from the U.S. Commercial Service and ETI staffed the booth, and they provided export counseling to U.S. companies.

The Commercial Service and ETI also arranged more than 200 meetings between U.S. companies and foreign buyers from approximately 25 countries, as well as meetings with trade specialists from 25 Commercial

*(continued on page 2)*

## **WEFTEC 2003** (continued from page 1)

Service and USAID posts abroad. The Commercial Service and ETI employed a Web-based tool that allowed companies to register electronically for meetings. The match-making program was a major success, and ETI plans to implement similar programs at several upcoming environmental industry events.

ETI and the Commercial Service also hosted the fourth training session of the Environmental Technologies Team at the show. The team consists of environmental trade specialists from Commerce Department offices around the world. The training featured presentations by industry experts, which were followed by visits to two local water treatment facilities. The next team training will take place in June at

the annual conference and exposition of the American Water Works Association (AWWA).

Please stop by the Commerce Department booth at upcoming trade shows to learn more about how the department can help you in your export endeavors as well as link you to foreign buyers and U.S. embassy officials visiting U.S. trade shows. ETI will host booths and matchmaking appointments at the following events:

- Water Quality Association Show, Baltimore, Md., March 16–20, 2004.
- Waste Expo, Dallas, Texas, May 17–20, 2004.
- AWWA Annual Conference and Exposition, Orlando, Fla., June 13–17, 2004.



## **ETI Web Site Offers Valuable Market Research—Free of Charge!**

**[www.environment.ita.doc.gov](http://www.environment.ita.doc.gov)**

Find foreign market research easily on ETI's user-friendly Web site. Check out the new and improved ETI home page at [www.environment.ita.doc.gov](http://www.environment.ita.doc.gov). The site includes free trade leads and tariff information, as well as an expanded section on financing exports. The important Trade Barriers Survey Form allows your company to provide input to the U.S. government for upcoming WTO negotiations.



**Environmental Export News** (ISSN 1544-6956) is a quarterly publication of the **Office of Environmental Technologies Industries (ETI)** of the **International Trade Administration (ITA)**, produced with the assistance of the ITA Office of Public Affairs. For more information and to subscribe, please contact:

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## **Summit Highlights**

*(continued from page 1)*

countries. At this summit, participants explored new areas of cooperation beyond oil and gas, such as electric power, gas development, and alternative energy sources. Participants also discussed potential new energy export routes, including an oil terminal and liquefied natural gas terminal in Murmansk.

Russia is currently the world's top energy producer, when total production of both oil and natural gas is considered. Russia's proven oil reserves total about 60 billion barrels, and the Russian government estimates that production of oil in 2003 will average 8.2 million barrels per day (bpd). Russia's 1,680 trillion cubic feet (tcf) of proven gas reserves make up about 30 percent of the world's gas resources.

Although there has been limited U.S. involvement thus far in Russia's upstream oil and gas sector (except for a few joint ventures, and the Sakhalin-I project in the Russian Far East), Russia is currently the fifth-largest export market for U.S.-made oil and gas field equipment. In 2002, U.S. exports of oil and gas field machinery to Russia totaled \$328 million, an increase of 16 percent from 2001.

Russia's oil exports in 2002 totaled more than 5 million bpd, and over the past year the United States has become an important export destination. In August 2003, Russia was exporting an average of 288,000 bpd of crude oil to the United States, making it the eighth-largest supplier of crude oil to the United States. But despite these impressive statistics, one of the main problems facing oil producers is an inability to export oil due to quotas imposed by the government and a lack of export pipeline capacity. The Russian government and industry leaders are considering ways to address the latter problem through several new

initiatives, including the proposed oil and gas terminals in Murmansk, oil pipelines to China and Japan, and more. Russia is also seeking to attract billions of dollars of investment over the next decade to rehabilitate and modernize its deteriorating electric power system.

The four summit co-chairs signed a joint statement affirming the importance of energy security, energy price stability, and environmentally oriented approaches to energy resource development. The statement calls upon the U.S. and Russian governments to work together to establish an energy investment climate that is based upon the rule of law and transparent business practices, and to work to expand Russia's energy export capacity through the improvement of existing Russian pipeline infrastructure as well as new projects. The government officials from the United States and Russia also agreed to establish a joint program on oil spill prevention and response. In addition, the U.S. Overseas Private Investment Corporation signed an agreement with Lukoil to provide \$130 million in loan guarantees for the construction of an oil products export terminal near St. Petersburg.

At the summit, the U.S.-Russia Commercial Energy Dialogue (CED) issued a report on ways the governments of the United States and Russia could promote more cooperation between the two countries' energy industries.


The report put forward recommendations, which included

- Revising Russia's subsoil law with the input of energy companies;
- Reforming Russia's licensing system for exploration and development;
- Establishing a special tax regime for technically difficult and expensive oil and gas projects in Russia;
- Defining the rights of investors in private pipelines in Russia;
- Measures to protect small and

medium-sized enterprises in Russia's oil and gas sector; and

- Harmonizing Russian standards for energy equipment and services with international standards.

The CED was established in October 2002 at the first U.S.-Russia Commercial Energy Summit in Houston. It is a private sector-led group of U.S. and Russian energy companies, co-chaired by the American Chamber of Commerce in Russia and the Russian Union of Industrialists and Entrepreneurs.

This article is an abridged version of a feature in *Export America* magazine, December 2003. 

## **Pollution Prevention/Energy Efficiency Market Burgeoning in China**

*By Susan Simon*

*Office of Environmental Technologies Industries*

The Office of Environmental Technologies Industries (ETI) recently developed a pollution prevention initiative with China that highlights good corporate stewardship while promoting the export of U.S. environmental products and services.

ETI has conducted a series of highly successful workshops on pollution prevention and energy efficiency ("P2E2") in collaboration with the U.S. Environmental Protection Agency's Office of International Activities. ETI's P2E2 workshop in Beijing in July 2002 focused on helping China's heaviest polluting industries curb their impact on the environment and conserve resources. The program wove together the capabilities and interests of U.S. environmental technology companies, U.S. multinationals, the Asian Development Bank, the Export-Import Bank of the United States, and the State Environmental


Protection Administration of China.

ETI's workshop featured Anheuser-Busch, Intel, and Johnson & Johnson as U.S. corporate role models operating facilities in China with exemplary environmental standards. As good corporate stewards of the environment, these multinationals have made compelling, effective cases for sound, "best" environmental practices and market-based incentives.

A key issue that arose out of the Beijing workshop was finding finance mechanisms to implement pollution prevention and energy efficiency technologies. In January 2003, two P2E2 finance workshops in Hong Kong and Guangzhou brought together banking, technology, and legal specialists to help develop a new finance tool: the Environment and Energy Savings Company (EESCO). The EESCO concept arose out of the P2E2 workshop

in Beijing in July 2002, and it is modeled on the Energy Savings Company finance tool currently used by multilateral development banks.

In September 2003, ETI commissioned a report on pollution prevention and energy efficiency opportunities in China for U.S. companies. The publication is slated for release in Spring 2004, and it will target the cleanup of key, heavy-polluting industries in China (power, pulp and paper, chemical, cement, and food/beverage production) that are increasing production for its booming, export-driven economy.

New P2E2 training workshops are scheduled for Beijing and Chengdu in Spring 2004. For more information on these events, contact Susan Simon at (202) 482-0713 or [susan\\_simon@ita.doc.gov](mailto:susan_simon@ita.doc.gov). 

## **Global Trade & Technology Network Free Environmental Trade Leads**



The Global Trade & Technology Network (GTN) assists the U.S. busi-

ness community in gaining access to environmental and clean energy sectors in Africa, Asia, the Near East, Eastern Europe, and Latin America by providing trade leads and market information free of charge. GTN has a database with U.S. firms covering more than 600 different sectors within the environmental and energy industries. Since 1997, GTN has helped facilitate over 100 environmental deals. Through partnerships with other federal government agencies, GTN can help your firm access trade finance opportunities. Registration is free for U.S. companies; simply visit [www.usgtn.net](http://www.usgtn.net) to register now.

## SUCCESS STORIES

By David O'Connell  
Office of Environmental Technologies  
Industries

**Ecology and Environment** of Lancaster, N.Y., is a full-service environmental and engineering consulting company that participated as a presenter at the oil remediation seminar in Rio de Janeiro in November 2002. As a result of participating in this event, Petrobras, Brazil's state-owned oil company, selected Ecology and Environment to do an oil platform water-discharge study. The Office of Environmental Technologies Industries and the U.S. Commercial Service in Rio de Janeiro sponsored the technical seminar. The seminar aimed to introduce U.S. oil spill prevention and remediation technologies companies to key decision-makers and buyers in the Brazilian market, as well as to ensure that U.S. firms were capitalizing on the project/procurement opportunities under the Petrobras Pegaso program, which features investments of up to \$1 billion through 2003. The U.S. Commercial Service also organized a site visit to Petrobras and its local Reduc refinery and scheduled one-on-one appointments for participating U.S. companies.

**Monitor Labs** of Englewood, Colo.,

**RM Young** of Traverse City, Mich., and **Rupprecht & Patashnick** of Albany, N.Y., are all beneficiaries of the coordinated export efforts of the U.S. Commerce Department's Environmental Technologies Team. It all started when Laurie Kohrs of the U.S. Commercial Service in Durban, South Africa, attended a special training session for the Environmental Technologies Team at the Air and Waste Management Association's conference in Orlando, Fla., in June 2001. Right before the conference, the municipality of Durban announced that a pilot program was being launched by the South African government for an air-monitoring project in Durban's main industrial district and near the airport. With this key information, Ms. Kohrs went "shopping" at the conference for U.S. companies that could implement this air-monitoring program, and she asked for assistance from members of the Environmental Technologies Team. Over the next two years, myriad conference calls, international trips, and counseling sessions with these companies took place, and the teamwork finally paid off this summer when it was announced that three American companies had won the Durban tenders for the required air-monitoring technology. Ultimately, Monitor Labs sold gas analyzers for \$160,000, RM Young exported meteorological equipment valued at \$10,000,

and Rupprecht & Patashnick exported \$45,000 worth of particulate monitors.

**LightStream Technologies** of Reston, Va., recently shipped the first of 40 projected units of its innovative pulsed-UV water treatment system to China. The \$130,000 unit is LightStream's inaugural step into the China market. The U.S. Department of Commerce supported the export transaction through business counseling, market research, and advocacy. LightStream learned at the last minute that, because its system was to be installed in municipal water-treatment facilities, that it had to be registered and approved by the Chinese government. This approval requirement was unexpected, and both the U.S. Commercial Service and Office of Environmental Technologies Industries took immediate action to help LightStream overcome this non-tariff barrier, which eventually cleared the way for LightStream's shipment. Josh Lanier, vice president of marketing at LightStream, indicated that the Commerce Department was instrumental in helping to get the company's products into China. The first machine will be used as a demonstration model before being sold into service. LightStream has commitments from its value-added reseller, Jon Yi & Company, for 39 more units over the next five years. ♦

## OTHER NEWS

**On March 19, 2003, Secretary of Commerce Don Evans announced an initiative to enhance Commerce Department standards activities.** ETI is working closely with the recently appointed ITA standards liaison with U.S. industry as the department prepares a report for the secretary. The report, which is to be completed in February 2004, aims to enhance the competitiveness of the U.S. manufacturing sector, where one of the key goals is to harmonize standards throughout the world so that foreign standards are not a roadblock to U.S.

exports. For more information, contact Corey Wright at [corey\\_wright@ita.doc.gov](mailto:corey_wright@ita.doc.gov).

**Nominations for the next Environmental Technologies Trade Advisory Committee (ETTAC) are being accepted until Dec. 31, 2003.** The ETTAC meets three to four times a year and advises the U.S. secretary of commerce on environmental export issues. The term of the next committee will be May 31, 2004–May 30, 2006. A copy of the *Federal Register* announcement, with details on how to nominate along with a copy of the current ETTAC charter, can be found on

the ETI Web site at [www.environment.ita.doc.gov](http://www.environment.ita.doc.gov) under the "Advisory Committee" link near the top of the left-hand column. ♦



## REGIONAL HIGHLIGHTS

### Africa

**U.S.-Morocco FTA Creating Environmental Opportunities for U.S. Firms.** President Bush and Moroccan King Mohamed VI announced in April 2002 their governments' intention to negotiate a free trade agreement. This FTA will create a number of opportunities for businesses in both countries. Although foreign investment in Morocco is largely concentrated in telecommunications and industrial machinery, the FTA is also expected to produce some opportunities in the area of environmental technologies. The U.S. Department of Commerce in Morocco has identified desalination, wastewater treatment, environmental equipment, and renewable energy as attractive target sectors for U.S. exports. For more information on possible environmental export opportunities as a result of the U.S.-Morocco Free Trade Agreement, contact Marc Lemmond at (202) 482-3889 or [marc\\_lemmond@ita.doc.gov](mailto:marc_lemmond@ita.doc.gov).

### Asia

**China and Korea Environmental Technologies Export Market Plans Available.** These Office of Environmental Technologies Industries (ETI) reports on the Chinese and Korean environmental markets are available on the ETI Web site: [www.environment.ita.doc.gov](http://www.environment.ita.doc.gov). Each comprehensive report provides an overview of regulatory trends and commercial opportunities in rapidly growing environmental sectors. For more information, contact Susan Simon at (202) 482-0713 or [susan\\_simon@ita.doc.gov](mailto:susan_simon@ita.doc.gov).

**U.S. Company Product Literature Center at Enviro Convention and Exhibition, Sydney, Australia, March 20-31, 2004.** Australia is the 15th-largest market for U.S. environmental products. Total environmental spending is approximately \$5.3 billion

annually, and this is forecast to grow 4 percent through 2005. Imports currently satisfy 70 percent of the total demand for goods, and about 20 percent of the demand for services. Explore your opportunities in this lucrative market by participating in this event without having to cross the Pacific Ocean. Best prospects for U.S. products and services include water and wastewater treatment equipment, desalination/water reuse technologies, remediation technologies, solid-waste recycling equipment and systems, air-pollution control equipment, and monitoring instruments. For additional information on the event, visit [www.enviroaust.net](http://www.enviroaust.net). If you are interested in participating in the U.S. product literature center, contact Sandra Collazo at (202) 482-0617 or [sandra\\_collazo@ita.doc.gov](mailto:sandra_collazo@ita.doc.gov).

### North America

**Upcoming Environmental Trade Shows in Canada.** ETI is focusing its efforts to increase U.S. exports of environmental technologies to Canada (the No. 1 market for such U.S. exports). Below are some of the more significant, upcoming environmental trade events in Canada.

**Integrated Solutions to Manure Management/National Conference and Exhibition: London, Ontario, March 8-9, 2004.** For more information, see [www.istmm.com](http://www.istmm.com).

**Globe 2004: Vancouver, British Columbia, March 31-April 2, 2004.** See below and [www.globe2004.com](http://www.globe2004.com).

**Conference and Exhibition of the Recycling Council of Ontario: Toronto, Ontario, May 4-6, 2004.** Visit [www.rco.on.ca/intro/upcoming/conference.html](http://www.rco.on.ca/intro/upcoming/conference.html) for details.

**Canadian Environmental Conference and Trade Show (CANECT 2004): Toronto, Ontario, May 12-13, 2004** (formerly known as the Ontario Environmental Trade

Show). For additional information, visit [www.esemag.com/conferen/compliance.html](http://www.esemag.com/conferen/compliance.html).

**Participate in Globe 2004.** The U.S. Commercial Service in Vancouver is recruiting U.S. environmental firms to participate in the U.S. pavilion at Globe 2004, March 31-April 2, 2004. Globe is the largest environmental technologies exhibition and conference in Canada. Equipment and management services to be featured include water and wastewater, pollution prevention, environmental engineering, solid waste, air quality, and hazardous waste. For more information, contact Cheryl Schell at (604) 642-6679 or [cheryl.schell@mail.doc.gov](mailto:cheryl.schell@mail.doc.gov).

### Europe

**EU Export Initiative for Californian Companies.** California-based environmental and biomedical start-ups and small to medium-sized companies are encouraged to take advantage of a \$1.2-million program designed to assist their efforts to export to Europe. The EU Export Initiative is organized by the Advancing California's Emerging Technologies (ACET) incubator as well as the trade expertise of its state and local partners: the California Technology, Trade and Commerce Agency and the Bay Area World Trade Center. The EU Export Initiative is funded in part by a grant from the U.S. Commerce Department's Market Development Cooperator Program. Stricter European environmental regulations are stimulating demand for next-generation energy efficiency, recycling, pollution prevention, and other environmental technologies. The program identifies and qualifies potential European partners for companies in the biomedical and environmental industries. For further information, contact Jennifer Juo of ACET at (510) 749-6873 or [juo@greenstart.org](mailto:juo@greenstart.org).

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## REGIONAL HIGHLIGHTS

*(continued from page 6)*

### **New U.K. Environmental Technologies Export Market Plan.**

This is an overview of the British environmental market and opportunities for U.S. exporters of environmental products and services. The report contains chapters on air pollution, solid waste, water and wastewater, hazardous waste, and environmental services. It also includes appendices on U.K. government agencies, trade associations, U.S. government resources, and much more. Visit [www.trade.gov/media/publications](http://www.trade.gov/media/publications) or [www.environment.ita.doc.gov](http://www.environment.ita.doc.gov) to access a PDF or plain text version of the report. For more information, contact Anne Novak at (202) 482-8178 or [anne\\_novak@ita.doc.gov](mailto:anne_novak@ita.doc.gov).

### **Czech Republic: \$1 Million Biomass/Organic Waste Processing Opportunity.**

The Czech energy provider Onivon is planning a biogas plant to process organic waste from farm production, food processing, and municipal waste in the town of Chrudim. This plant, which will be a pilot project for the Czech Republic, is to produce electricity and heat from the waste. For more information, visit [www.ecolinks.org](http://www.ecolinks.org) (click on "Services" and then "Trade Leads").

### **Czech Company Seeks American Sewerage Technologies.**

The company, Aquatis, is interested in sewers and sewerage networks, storm water basins, pumping stations, sewage treatment plants, related structures and equipment, and optimization of wastewater treatment and sludge treatment. See the trade lead at [www.ecolinks.org](http://www.ecolinks.org).

**Waste Recycling Technology Needed in Romania.** The Romanian company Salprest SA, which specializes in waste recovery and removal, is interested in meeting with U.S. companies that specialize in waste recycling. Find out more at [www.ecolinks.org](http://www.ecolinks.org).

## Latin America


**New Report on Pollution Control Equipment in Argentina.** The U.S. Commercial Service in Buenos Aires recently published this industry sector analysis. For a copy of the report, contact David O'Connell at (202) 482-3509 or [david\\_oconnell@ita.doc.gov](mailto:david_oconnell@ita.doc.gov).

### **New Report on Solid Waste Equipment and Services in Brazil.**

This report presents an overview of the \$1.2-billion market for solid waste equipment and services, including the municipal, industrial, and hospital sectors, and it highlights the best prospects for U.S. companies. Imports, primarily from France and the United States, account for a quarter of this market. For a copy of the report, contact David O'Connell at (202) 482-3509 or [david\\_oconnell@ita.doc.gov](mailto:david_oconnell@ita.doc.gov).

### **U.S. Companies Needed to Speak at Water Technical Seminar in Santiago, Chile, March 30, 2004.**

The seminar will consist of a half day of technical presentations delivered by representatives of three U.S. companies. The speakers will provide an overview of municipal wastewater-treatment management programs that have been effectively adopted in the United States. The two main goals of the seminar are to introduce U.S. water and wastewater treatment equipment companies to decision-makers and buyers in the Chilean market, and to capitalize on the momentum created by the June 6 signing of the U.S.-Chile Free Trade Agreement. Chilean sanitation companies will have to invest \$2.5 billion before year 2010 in order to comply with investments required by the privatization process that began in the late 1990s. CORFO, the Chilean development corporation, which still owns a major stake in these companies, has approved additional funds estimated at \$1 billion to be used for these upgrades and three new wastewater treatment plants in the Santiago area. For more information

(and especially if you are interested in being a speaker at the March 30 event), contact David O'Connell at (202) 482-3509 or [david\\_oconnell@ita.doc.gov](mailto:david_oconnell@ita.doc.gov). 



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